

SECOND SUPPLEMENTAL SECURITY AGREEMENT - TRUST DEED

SECOND SUPPLEMENTAL SECURITY AGREEMENT-TRUST DEED (the "Second Supplemental Security Agreement") dated as of December 1, 1970, from W. H. RUSKAUP and BEN MAUSHARDT, Co-Trustees under a Trust Agreement dated as of April 1, 1970 (the "Debtor"), whose Post Office address is 633 Battery Street, San Francisco, California 94111 to WELLS FARGO BANK, N. A., as Trustee (the "Secured Party"), having its principal office at 475 Sansome Street, San Francisco, California 94120.

RECITALS:

A. The Debtor and each of the institutional lenders (the "Lenders") named in the following schedule have entered into separate and several Loan Agreements dated as of April 1, 1970 (the "Loan Agreements"), providing for the several commitments of the Lenders to make loans to the Debtor from time to time on or before June 15, 1972, not exceeding the aggregate principal amount for each Lender, respectively, set forth in the following schedule to be evidenced by 9% Secured Notes (the "Notes") of the Debtor, said Notes to bear interest at the rate of 9% per annum prior to maturity and to mature in 48 semi-annual installments including both principal and interest with a final installment payable not later than June 15, 1997, and to be otherwise substantially in the form attached as Exhibit 1 to said Loan Agreements:

<u>Institutional Lender</u>	<u>Amount</u>
State of California State Teachers' Retirement System	\$3,269,760
State of California Public Employees' Retirement System	\$3,269,760
New York State Common Retirement Fund	\$2,000,000

B. The Debtor has heretofore executed and delivered to the Secured Party, as security for the payment in full of all principal of and interest on the Notes, that certain Security Agreement-Trust Deed dated as of June 1, 1970 (the "Original

RECORDATION NO. 5749-B Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

Security Agreement") and First Supplemental Security Agreement-Trust Deed dated as of September 1, 1970 (the "First Supplemental Security Agreement").

C. Said Original Security Agreement was filed for record in the office of the Secretary of the Interstate Commerce Commission at 11:20 A.M. on June 15, 1970 and has been assigned Recordation No. 5749.

D. Said First Supplemental Security Agreement was filed for record in the office of the Secretary of the Interstate Commerce Commission at 11:15 A.M. on September 15, 1970 and has been assigned Recordation No. 5749-A.

E. The Debtor desires to reconvey and to confirm the lien and security interest created by the Original Security Agreement in respect of a portion of the properties therein described.

F. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Second Supplemental Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Note and in the Original Security Agreement and in the Loan Agreements contained, does hereby convey, warrant, mortgage, assign, pledge, grant the Secured Party, its successors in trust and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

Section 1.1. Collateral includes the railroad equipment described in Schedule 1 attached hereto and made a part hereof (hereinafter referred to collectively as the "Equipment" and individually as "Item of Equipment") constituting Equipment leased and delivered under that certain Lease of Railroad Equipment dated as of April 1, 1970 (the "Lease") between the Debtor, as Lessor, and Union Carbide Corporation, a New York corporation, as Lessee (the "Lessee"); together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment together with all the rents, issues, income, profits and avails therefrom.

Section 1.2. Collateral also includes the Lease and all rents and other sums due and to become due the Debtor thereunder including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment (excepting and reserving, however, the initial installment of Periodic Rent); it being the intent and purpose thereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Lease shall be effective and operative immediately and shall continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 4 of the Original Security Agreement at all times during the period from and after the date of this Second Supplemental Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

Section 1.3. The Security Interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee under the Lease (including, without limitation, the right of the Lessee to remove certain parts, accessories, equipment or devices without accounting therefor pursuant to Section 8 of the Lease and the right of the Lessee to receive certain proceeds and mileage allowances pursuant to Sections 11.5 and 17.2 of the Lease), and (b) the lien of current taxes and assessments not in default, or, if delinquent, the validity of which is being contested in good faith.

Section 1.4. The Secured Party, its successors in trust, and assigns shall have and hold the Collateral forever, without preference, priority or distinction of any Note over any other Note by reason of priority in the time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever; provided always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements in the Original Security Agreement and in the Loan Agreements and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Second Supplemental Security Agreement shall become null and void; otherwise to remain in full force and effect.

SECTION 2. MISCELLANEOUS.

Section 2.1. The Debtor is lawfully seized and possessed of the Equipment described in Sections 1.1 and 1.2 hereof and has good right, full power and authority to convey, transfer and mortgage said Equipment to the Secured Party for the uses and purposes herein set forth; the Equipment described in said Sections 1.1 and 1.2 is

owned by the Debtor free from any and all liens and encumbrances (excepting only the lien of current taxes not in default and the right, title and interest of the Lessee under the Lease); and the Debtor will warrant and defend the title thereto against all claims and demands whatsoever (excepting only the right, title and interest of the Lessee under the Lease).

Section 2.2. The Debtor further covenants and agrees to perform and observe duly and punctually all of the covenants and agreements contained in the Original Security Agreement, all such covenants and agreements being hereby ratified, approved and confirmed.

Section 2.3. This Second Supplemental Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Agreement.

IN WITNESS WHEREOF, the Debtor has caused this Second Supplemental Security Agreement-Trust Deed to be executed, all as of the day and year first above written.

W. H. Ruskaup and Ben Maushardt,
as Trustees under U. C. Trust No. 1

By Ben Maushardt
DEBTOR

[SEAL]

WELLS FARGO BANK, N. A., as Trustee
as aforesaid

Attest:

By W R Barnett
Its Vice President

R. McTigue
Its Assistant Secretary

SECURED PARTY

SCHEDULE 1

to Second Supplemental Security Agreement - Trust Deed

11 43,000 gal. 111A100W-1,
non-coiled, non-insulated, Car
Numbers RAIX 4305 through 4315,
both inclusive.

25 10,000 gal. 111A100W-1 coiled,
insulated, car numbers RAIX 5006 thru
5019, 5021, 5022, 5023, 5025, 5026, 5028,
5029, 5031, 5032, 5034, 5035.

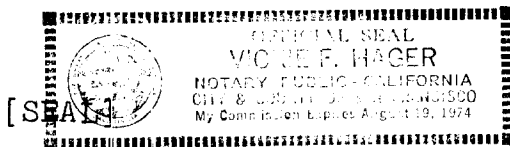
(U. C. Trust No. 1)

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

SS

On this 4 day of December, 1974, before me personally appeared BEN MAUSHARDT, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.



Victor F. Hager
Notary Public

My commission expires:

My Commission Expires August 19, 1974

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

SS

On this 7th day of December, 1974, before me personally appeared W. R. BARNETT, to me personally known, who being by me duly sworn, says that he is a Vice President of WELLS FARGO BANK, N. A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Geraldine D. Cohen
Notary Public

My commission expires:

